of the Government resolution on 08.03.2002 with a view to increasing competition thereby benefiting the consumers. These companies have started commissioning retail outlets and sales at these retail outlets are largely carved out of the sales of existing outlets of PSU Oil Marketing Companies (OMCs). While, as a result, the OMCs have lost a small portion of their market share, it cannot be construed that the same is on account of adulteration and under-weighing at their retail outlets. The steps taken by the OMCs to check adulteration and under-weighing include regular inspections of retail outlets, quality-control at Supply Points, Tamper-proof locking system of Tank Trucks, Automation of Tank Trucks/Retail Outlets, Inspections and Certification of Retail Outlets, etc.

(d) The number of inspections carried out by the OMCs during the last three years are as under:-

Year	No. of Inspections done
2002-03	93,320
2003-04	91,841
2004-05	1,04,488

Actions against the defaulting dealers is taken by the OMCs as per the Marketing Discipline Guidelines.

Merger of Small Oil Companies

2899. SHRIMATI N.P. DURGA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that V. Krishnamurthy Committee recommended for creation of three monolithic PSU entities to compete with international multinational companies;

(b) whether it is fact that originally it was to have only two super oil companies;

(c) whether the merger of small oil companies like IBP, Kochi Refinery would dilute the Government's holding in such companies, and

(d) in what manner Government are going to protect the employees rights and privileges in the new big companies?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) No, Sir.

(c) Not in absolute terms but marginally in relative terms.

(d) All the employees of IBP Co. Limited and Kochi Refineries Limited (KRL), after merger, would become employees of Indian Oil Corporation Limited (IOCL) and Bharat Petroleum Corporation Limited (BPCL) respectively. The terms and conditions of service of such officers and employees will not be less favourable than those applicable to them prior to merger.

Gail's Agreement with China Gas Holdings Corporation

2900. SHRI MURLI DEORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Gas Authority of India Ltd., had picked up 10 per cent stake with China's Gas Holdings Corporation this year;

(b) whether GAIL has received a formal offer from China's Gas Holding Corporation to jointly undertake gas distribution projects in three Chinese cities;

(c) whether GAIL has studied the project and decided to form a joint venture with China's Gas Holding Corporation where GAIL is expecting to have majority and management control; and

(d) the time for which an agreement to this effect is likely to be signed?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir. GAIL (India) Limited have subscribed to 210 million shares of China Gas Holding which represents 8.66% of equity as of now.

(b) GAIL have received an initial offer of 3 projects in China *i.e.*, Wuhu and Whuaian in Anhui province and in Hubei province. Out of the three projects, China Gas have suggested to GAIL to consider Wuhu project in Anhui province to start with.

(c) and (d) GAIL have reported that the feasibility of forming a Joint Venture is under examination. It may take about 6 to 8 weeks